Community First:
A Proposal for Preventing or Delaying Nursing Facility Admission

Concept Paper

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FOR POLICY DISCUSSION ONLY

Commonwealth of Massachusetts
Executive Office of Health and Human Services
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Executive Summary

The Massachusetts Executive Office of Health and Human Services (EOHHS) plans to seek federal approval for a Medicaid 1115 Research and Demonstration waiver to test an approach to prevent and/or delay admission to or facilitate discharge from a nursing facility for certain targeted elders and adults with disabilities.

Nursing facility expenditures comprise a significant proportion of MassHealth (the Massachusetts Medicaid program) spending on all long-term support services. In State Fiscal Year 2005 MassHealth paid over $2.4 billion for long-term supports, over $1.5 billion (65%) of which paid for nursing facility services. In October of 2003, the Massachusetts “Community First” policy was established. The policy promotes the use of home and community-based long-term care as an alternative to institutional care. It is MassHealth’s intent to facilitate a shift in the proportion of long-term care support expenditures from institutional to community-based care.

To test an approach to further the Community First policy, EOHHS is preparing a Demonstration with the goal of providing increased funding for better access to certain cost-effective, flexible, and self-directed community support options. The goals of this proposed Research and Demonstration project are based on recommendations gathered over a period of time. The current Demonstration proposal also incorporates many diverse ideas provided by consumers, providers, and other stakeholders obtained through numerous public forums.

Among other things, Massachusetts expects the Demonstration to:

- improve comprehensive care coordination of services that prevent or delay nursing facility admission;
- provide funding for specific transition services for nursing facility residents who would need those services to return to the community;
- target changes in Medicaid financial eligibility income and asset requirements for a specific number of individuals who are at risk for future nursing facility admission;
- offer Demonstration enrollees flexible, consumer-directed home and community-based services through an Independence Plus model; and
- offer a uniform set of services to enrollees.

The proposed Demonstration plans to target three groups of individuals. The specific criteria for enrollment in the Demonstration will be developed and finalized upon submission of the Demonstration application.

1. **Imminent Risk Group:** Individuals in this group are at the highest risk for nursing facility admission. They will have access to an expanded Demonstration service package, receive intensive care coordination as needed, and be able to access a flexible individual budget under a new Independence Plus system. EOHHS expects individuals will be eligible for the imminent risk group if they have monthly income at or below 300% of SSI ($1,737 in 2005), assets at or below $10,000, and meet current nursing facility level-of-care criteria. The Demonstration will subsume the current Section 1915(c) frail elder and traumatic brain injury waiver programs. All enrollees of those waivers will be able to enroll in this new Demonstration.
2. **Prevention Group:** These individuals have clinical characteristics that indicate they are likely candidates in the near future for nursing facility admission. Individuals in this group will receive access to the expanded Demonstration service package, will receive a basic level-of-care coordination, and will be able to access a flexible individual budget. EOHHS expects individuals will be eligible for this group if they meet the same income and asset criteria as the imminent risk group, need assistance with three or more activities of daily living (ADLs), and have targeted clinical characteristics that data show are predictive of nursing facility admission.
3. **Nursing Facility Residents Seeking Community Services:** For nursing facility residents seeking to live in the community, this Demonstration will offer transition services for up to 180 days while they are in the nursing facility to aid their return to the community.

Individuals who are eligible for the Demonstration will be able to access a comprehensive menu of Medicaid State Plan services, home and community-based supports, and behavioral health services. The Commonwealth will build on existing service delivery systems, such as Massachusetts' Aging Services Access Points, Independent Living Centers, and managed care organizations. Regardless of how individuals access their Demonstration services, all enrollees will receive at least a basic level–of- care coordination and take an active role in directing their own care. Further, Demonstration enrollees will be able to elect an Independence Plus option, under which a set of covered services will be converted into an individual budget. Quality monitoring and research plans for this Demonstration program are under development.

Section 1115 Research and Demonstration waivers must be budget neutral. The cost of the Demonstration cannot exceed predicted costs in the absence of the Demonstration. To ensure that the Demonstration is budget neutral, the Commonwealth intends to use an enrollment cap based on an analysis of affordability. It is currently estimated that 10,000 individuals will be enrolled in the Demonstration during the first year. Additional budget-neutrality projections will be based on the expectation that there will be an increased number of nursing facility diversions, a decreased rate of nursing facility admissions, more discharges from nursing facilities, and avoidance of other costly medical interventions.

Ongoing input for the development of the full waiver application will be gathered through coordination with the Commonwealth's System's Change Initiative and other stakeholder processes.

I. Introduction

The Massachusetts Executive Office of Health and Human Services (EOHHS) will seek approval from the U.S. Department of Health and Human Services Centers for Medicare and Medicaid Services (CMS) for Section 1115 authority to implement a Demonstration Project designed to prevent and/or delay admission to or facilitate discharge from an institutional setting for certain targeted elders and adults with disabilities. The proposed Demonstration would create a more flexible long-term-supports delivery system for Demonstration enrollees. By waiving certain Medicaid financial and clinical eligibility rules and expanding certain expenditure authorities, the Demonstration will increase access to home and community-based services for some individuals who would otherwise not be Medicaid-eligible. Under the Demonstration these individuals will have access to a uniform set of community-based services before a Medicaid-covered nursing facility stay is their only option. Massachusetts will thereby ensure that individuals have meaningful choices in how to receive their long-term supports and achieve an active role in self-directing their care.

A. Current Status

Nursing facilities are utilized at relatively high rates for the care of elders and people with disabilities in Massachusetts. In 2003, Massachusetts ranked 10th in the nation for the total number of nursing facilities in the state and 13th in the nation for utilization of

available nursing facility beds.[1] In 2005, approximately 90% of Massachusetts nursing facility residents were aged 65 or older, and 10% of all Massachusetts nursing facility residents were between the ages of 20 and 64.[2]

Services provided in institutional settings are generally the most medically intensive and expensive form of long-term care. In State Fiscal Year (SFY) 2005 the Massachusetts Medicaid program (known as MassHealth, which includes the CommonHealth program for disabled adults) paid over $2.4 billion for long-term supports, over $1.5 billion (65%) of which paid for nursing facility services. Further, expenditures for nursing facility services have increased over $247 million (18.5 %) since SFY 2000.

Based on the evidence that elders and individuals with disabilities can reside safely in the community with sufficient long-term supports, Massachusetts has increased capacity and expenditures for community-based services through optional Title XIX services and home and community-based services (HCBS) waivers. In 2003 Massachusetts established the “Community First” policy. The goal of Community First is to prevent or delay admission to, or facilitate discharge from, institutions by making home and community-based services available to as many elders and individuals with disabilities as possible who can handle and benefit from living in the community with appropriate supports. From SFY 2000 to SFY 2005 Medicaid expenditures for

[1] Gibson, et. al (2004).
[2] Massachusetts Department of Public Health.

community-based long-term supports[3] increased by over $305 million (69.9%). The federal government, many states, and various advocacy groups representing the interests of elders and people with disabilities also promote the idea of elders and individuals with disabilities residing in the community as long as possible.[4]

The current health care system easily defaults to nursing facility admission. Changes can be made to encourage access to community-based supports for some low-income individuals who are at risk of admission to a nursing facility or other institution without supports. About 50% of all MassHealth members in nursing facilities become eligible for Medicaid only after admission to a nursing facility. Individuals in nursing facilities who wish to return to the community need a range of supports to transition.

B. Proposed Demonstration

In keeping with the growing trend toward community-based long-term-care services and to promote a move away from institutional settings, Massachusetts will apply for a federal Medicaid Research and Demonstration waiver, through which certain Medicaid financial and clinical eligibility requirements can be modified, and funding of specific services can be enhanced. EOHHS proposes the following:

- Change Medicaid financial eligibility income and asset rules for a specified number of individuals who are at risk of future nursing facility admission. This

[3] In this context, MassHealth community-based long-term supports include services provided under the three HCBS waivers as well as selected services provided under the Medicaid state plan: adult day health, adult foster care/group adult foster care, day habilitation, and personal care attendant.
[4] These agencies include United Cerebral Palsy, the National Multiple Sclerosis Society, the Association of Spina Bifida and Hydrocephalus, Easter Seals, the Muscular Dystrophy Association, and the Brain Injury Resource Center, among others.

change will enable enrollees to receive a uniform array of home and community-based Medicaid services earlier and remain in the community with needed supports.

- Provide Demonstration enrollees the opportunity for increased independence by offering flexible, consumer-directed home and community-based support services, such as personal care attendant services, using an Independence Plus service delivery model.[5] This flexibility can improve quality of life and consumer satisfaction.
- Offer care coordination to Demonstration enrollees to promote awareness of and access to available home and community-based supports, optimize health-care outcomes, and prevent the onset or increased severity of conditions that typically lead to nursing facility admission.
- Provide certain nursing facility residents with Medicaid-funded transition services that will facilitate their return to the community. Transition services may include rental security deposits and adaptive supports to facilitate community living.

[5] Independence Plus is a federal initiative to expedite the ability of states to offer families with a member who requires long-term supports and services, or individuals who require long-term supports and services, greater opportunities to take charge of their own health and direct their own services. Under the program, families and individuals can exercise greater choice, control and responsibility for their services within cost neutral standards. The program builds on the experience and research from a number of pioneer states that have pre-tested these concepts. For more information see http://www.cms.hhs.gov/independenceplus/.

C. Rationale for Proposal: Research Findings

In developing this proposal, EOHHS conducted an extensive review and analysis of available data and literature on the merits of delaying and preventing admission to institutions. EOHHS also considered the experience of other states in implementing innovative programs to achieve these ends (including Washington, Oregon, South Carolina, and Colorado). The research confirmed that there are substantial benefits to preventing or delaying admission to nursing facilities, both in terms of reducing Medicaid long-term-care costs and in improving an individual's quality of life. The research also helped to identify the populations that are most likely to need a nursing facility admission and, among them, those populations that could benefit from sufficient access to care coordination and community-based long-term supports to avoid such an admission. For example:

- Several studies have found that community-dwelling older adults at high risk for entering a nursing home include those with dementia (such as Alzheimer's), physical and/or mental disability, neurological problems (such as stroke), and the need for assistance with multiple ADLs.[6]
- One study by the U.S. Department of Health and Human Services found that aged and disabled individuals who received home and community-based services under waiver programs in five states cost six times less than the national average for nursing home residents.[7]
- Research has found that programs in Oregon, Washington, and South Carolina offering community-based care with a focus on in-home supports,

[6] MMWR Weekly, 2003; Tsuji, I., et. al., 1995.
[7] Doty, P., 2000.

housing, and service–and-care coordination reduced the probability of admission to an institution.[8]

- Many states including Massachusetts have utilized Programs of All-Inclusive Care for the Elderly (PACE), which feature focused care management. These programs have successfully lowered nursing facility utilization and inpatient admissions, and have improved health status and quality of life. PACE enrollees are less likely to be admitted to nursing facilities, and those who do are at the facilities for fewer days. This intervention has been especially effective for frail elders who have greater physical limitations or higher numbers of limitations with activities of daily living (ADLs).[9]
- Literature pinpoints certain services that are effective in preventing or delaying institutionalization. Some of these include family or informal supports, respite care, and the support of professional health-care providers.[10] Research also finds that providing targeted services based on a comprehensive assessment of the high-risk individual's health needs helps to reduce the likelihood of admission to a nursing facility.[11]

[8] Fischer, L.R., et. al. 2003; Blackman, D.K., et.al. 1986.
[9] Chatterji, P., et. al., 1998.
[10] Greenberger, H. and Litwin, H., 2003.
[11] Weissert, W., et. al., 2001.

D. Relevance of the Research to the Proposed Demonstration

In view of these findings and our own state's experience, EOHHS anticipates that the proposed Demonstration project will have the following outcomes:

- Changes to eligibility and delivery system rules will increase access to the community supports that enhance the system's ability to prevent or delay admission to nursing facilities.
- Enhanced access to a uniform package of community supports will increase consumer control while improving participant well-being.
- Increased access to care coordination and community supports will decrease or delay nursing facility admissions.
- As Medicaid nursing facility costs diminish, the availability of funds for community supports can increase. This change will help to ensure the sustainability and quality of the Commonwealth's community long-term-care system.
- Total community service costs will not exceed existing institutional costs.

Massachusetts is committed to achieving savings in long-term-care costs and enhancing the quality of life for its citizens, which warrants a Demonstration project in Massachusetts.

II. 1115 Demonstration Overview

A. Target Population

Interventions with services and supports such as care management will divert, delay, or facilitate discharge for the target populations listed below. Eligibility criteria for Medicaid long-term supports should target access to those who have characteristics that predict nursing facility entry. Research also shows that certain community-based services will effectively reduce nursing facility admissions and utilization.[12] Those characteristics that predict future nursing facility admission include:

Alzheimer's/Dementia: A recent longitudinal analysis of Medicare claims data for all elderly and disabled Medicare recipients in Massachusetts found that 36% of elders and 19% of individuals under age 65 with a disability who were residing in the community with Alzheimer's or dementia had entered a nursing facility within five years.[13] Nationally, six separate studies that focused primarily on the elderly found individuals with Alzheimer's disease or other dementia were between 1.6 and 5.9 times more likely to enter a nursing facility than those without these conditions.[14] Additionally, individuals with Alzheimer's or dementia who were of advanced age, had behavior problems (especially anger and aggressiveness), or who lived alone were at higher risk of entering a nursing facility.[15]

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[12]Weissert, WG, Hedrick, SC. 1994.
[13] JAI analysis of Medicare data, May, 2005.
[14] Banaszak-Holl, J., et. al. 2004; Bharucha, A.J., et. al. 2004; Eaker, E.D., et. al. 2002; Green, V.L., et. al. 1990; Tomiak, M., et. al. 2000; Yaffe, K., et. al. 2002.
[15] Gaugler, J.E., et. al. 2000; Gaugler, J.E., et. al. 2003; Gaugler, J.E., et. al. 2005; Phillips, V.L., et. al. 2003; Smith, G.E., et. al. 2000; Stevens, A., et. al. 2004; Yaffe, K., et. al. 2002.

Aged 85 or older: A recent longitudinal analysis of Medicare claims data for all elderly and disabled Medicare recipients in Massachusetts found that 23% of individuals over age 85 who were residing in the community had entered a nursing home within five years regardless of chronic condition, compared to just 7% of individuals between ages 65 and 84. Nationally, six separate studies found that as individuals age, they are between 1.1 and 10 times more likely to enter a nursing home.[16]

Chronic mental illness: A longitudinal analysis of Medicare claims data for all elderly and disabled Medicare recipients in Massachusetts found that 16% of individuals aged 65 or older and 5% of individuals under age 65 with a disability who were residing in the community with a chronic mental illness had entered a nursing facility within five years.[17] This means that elders with chronic mental illness were three times more likely to be in a nursing facility after five years as compared to all elders. Individuals under age 65 with a disability who had a chronic mental illness were more than twice as likely to be in a nursing home five years later as compared to all disabled individuals under age 65. National research has also demonstrated that elders with chronic mental illness are between 1.2 and 2.97 times more likely than individuals without chronic mental illness to enter a nursing facility.[18].

[16] Banaszak-Holl, J., et. al. 2004; Bharucha, A.J., et. al. 2004; Friedman, S.M., et. al. 2005; Green, V.L., et. al. 1990; Jette, A.M., et. al. 1992; Tomiak, M., et. al. 2000
[17] JAI analysis of Medicare data, May, 2005.
[18] Banaszak-Holl, J., et. al. 2004; Tomiak, M., et. al. 2000

Neurological disorders: A longitudinal analysis of Medicare claims data for all elderly and disabled individuals in Massachusetts found that 19% of individuals with a neurological disorder who were residing in the community had entered a nursing facility within five years, compared to 5% of individuals without a neurological disorder. National research has found that elders with a neurological disorder who have no relatives close by are 15 times more likely to enter a nursing facility than someone without a neurological disorder.[19]

Other predictors: A longitudinal analysis of Medicare claims data found that other disabilities (e.g., physical, developmental) and medical conditions (e.g., incontinence, heart disease) increase the risk of nursing facility admission. In addition, the data analysis found that the presence of multiple disabling conditions also increases the risk of nursing facility admission. Seventeen percent of elders and 6% of individuals under age 65 with disabilities who had more than one disabling condition were in nursing facilities in 2001, which is significantly higher than the 4% and 2%, respectively, of individuals who had just one disabling condition and were in a nursing facility.[20]

Home and community-based services may be able to prevent or delay nursing facility admission for these specific populations. An analysis of elders using home and community-based services in Massachusetts found that their rate of nursing facility entry was half that of their counterparts who were not participating in the HCBS

[19] Jette, A.M., et al. 1992.
[20] JAI analysis of Medicare data, May, 2005.

waiver.[21] Research from other states and literature also supports the premise that both the targeting of specific medical conditions and the pairing of specialized interventions helps reduce the risk of nursing facility admission.[22] As the Demonstration is implemented, analyses will be conducted to determine efficacy of targeting specific groups.

B. Eligibility

The proposed Demonstration program will change Medicaid financial eligibility in order to target the population identified above. Current Medicaid State Plan and HCBS waiver rules include the following eligibility requirements:

- Individuals (regardless of age) must meet nursing facility level-of-care criteria to access certain community services and supports. To meet nursing facility level-of-care criteria, the individual must require one skilled service daily, or require at least three nursing services or services to assist with ADLs (at least one of these services must be a nursing service). Examples of skilled services include intravenous injections or feeding, treatment of decubitis ulcers (bed sores), management of catheters, or monitoring of an unstable condition at intervals throughout a 24-hour period. Nursing services are performed at least three times a week; examples include drug administration monitored by an RN, behavioral support, and physician-ordered occupational or speech language therapy. Examples of ADLs include bathing, dressing, toileting, eating assistance, or transfers.

[21] JAI Memorandum.
[22] Blackman, D.K., et. al., 1986; Chatterji, P., et. al., 1998; Greene, V., et. al., 1989; Doty, P., 2000.

- For home and community-based waivers, certain individuals must meet the following financial eligibility criteria:
    - Elders must have income at or below 300% of the Supplemental Security Income level and $2,000 or less in assets.
    - Individuals with traumatic brain injury (TBI) must have income at or below 100% of the federal poverty level and $2,000 or less in assets (or meet a spend-down.)

To expand access to additional groups who may not meet the above criteria, EOHHS is in the process of developing the financial and clinical eligibility criteria for the proposed Demonstration. EOHHS anticipates that criteria for eligibility under the proposed Demonstration will stipulate that individuals must be aged 65 or older, or under age 65 and deemed disabled pursuant to the CommonHealth standard of disability, which is more generous than the disability standards under Title XVI of the Social Security Act. In addition, the Demonstration will include three groups of individuals (some of whom already qualify for MassHealth, and some of whom will qualify only under the Demonstration criteria): an imminent risk group, a prevention group, and a group of nursing facility residents seeking community services.

1. Imminent Risk Group

Individuals in the imminent risk group are at current nursing facility level of care and reside in the community. The imminent risk group will have access to the expanded Demonstration service package, will receive care coordination, and will be able to access a flexible individual budget under a new Independence Plus system, which will

be modeled after the national Cash and Counseling Demonstration. Individuals will be eligible for the imminent risk group if they meet the following criteria:

Imminent Risk Group Eligibility

Income Eligibility	Asset Limit	Clinical Eligibility	Spend-Down Rules
Monthly income at or below 300% of SSI ($1,737 in 2005)	$10,000 or less	Meets nursing facility level of care criteria	If monthly income above 300% SSI, one-time spend down to $522

Individuals who are already Medicaid-eligible and enrolled in the home and community-based services waivers for elders or individuals with traumatic brain injury will, by definition, be in this group.

2. Prevention Group

Inclusion of a prevention group will allow further examination of the impact of changes in financial eligibility, care coordination, and access to flexible consumer-directed supports on certain individuals with characteristics that make them likely nursing facility candidates. Individuals who qualify for this group will have access to the expanded Demonstration service package, will receive a basic level-of-care management, and will be able to access a flexible individual budget under the new Independence Plus system. Individuals will be eligible for the prevention group if they meet the following financial and clinical criteria. The proposed clinical eligibility for the prevention group is based on the analysis conducted to-date regarding what clinical and diagnostic characteristics are most predictive of an individual being admitted to a nursing facility in the absence of waiver services. The criteria will be finalized for the waiver application based on ongoing data analysis and stakeholder input.

Prevention Group Eligibility

Income Eligibility	Asset Limit	Preliminary Proposed Clinical Eligibility	Spend-down rules
Monthly income at or below 300% of SSI	$10,000 or less	Need assistance (includes cueing and supervision*) with 3 or more ADLs, plus meets at least one of the following criteria: • Alzheimer's/dementia • Aged 85 or older • Neurological/degenerative disorders • Chronic mental illness • Other predictors	If monthly income above 300% SSI, one-time spend-down to $522

*Cueing refers to the prompting necessary to initiate, continue, and/or finish a task; physical presence during the task is not necessary. Supervision refers to the physical presence of an individual while the task is being performed to ensure the safety of the individual completing the task; intervention (physical or other) may or may not be necessary.

3. Nursing Facility Residents Seeking Community Services

Nursing facility residents seeking to live in the community who meet the proposed income and asset criteria may qualify for the Demonstration. They will be eligible to receive waiver-funded transition services for up to 180 days while they are in the nursing facility to aid their return to the community. Transition services will include such items as one-time costs (e.g., security deposits) and supportive adaptations. Following a transition to the community, an individual would remain eligible for services under the Demonstration in accordance with a care plan.

C. Proposed Covered Services

Individuals who enroll in the Demonstration will be able to access a comprehensive menu of services and supports to enable them to reside safely in the community. Individuals who qualify for the Demonstration but do not qualify for MassHealth under Title XIX will be eligible to receive Medicaid State Plan services, with the exception of coverage for nursing facility stays and chronic hospital stays. Demonstration enrollees who also qualify for MassHealth under Title XIX can continue to receive coverage for

nursing facility stays and chronic hospital stays under Title XIX. This Demonstration will cover transition services for individuals who reside in a nursing facility at the time of Demonstration enrollment, or who enter a nursing facility following enrollment.

The State Plan includes medical services and community-based long-term support services that are effective in diverting and delaying institutional care (such as adult day health, adult foster care, day habilitation, home health, and personal care attendant services). Table 1 lists some examples of additional community-based long-term support services that will be covered under this Demonstration. All services under this Demonstration will be provided in a range of residential settings.

Table 1: Examples of Waiver Covered Community Services

Assistive technology	Job development
Chore service	Laundry
Interpreter/translation services	Money management
Companion service	On-call support
Environmental accessibility adaptations	Personal agent services
Extended/enhanced personal care	Personal emergency response systems
Family support and community habilitation	Respite care
Family training	Social day care/day services (including dementia)
Grocery shopping and home delivery	Specialized medical equipment
Home-delivered meals	Supported employment services
Homemaker	Supportive home care aide
Individual support and community habilitation	Transitional services

The Demonstration intends to cover behavioral health services. There are significant behavioral health needs among the target population. Table 2 lists examples of the behavioral health services that EOHHS intends to make available to Demonstration enrollees. The intention is to create the most comprehensive and cost-effective set of behavioral health services for the Demonstration enrollees.

Table 2: Examples of Behavioral Health Services

Inpatient services: Inpatient mental health services Detoxification
Diversionary services: Community support Crisis stabilization Observation/holding beds Partial hospitalization Psychiatric day treatment Residential substance abuse treatment Structured outpatient addiction programs
Behavioral health emergency services: Emergency screening services Medication management services Short-term crisis counseling Short-term crisis stabilization services Specialized services
Outpatient services: Mental health evaluation, treatment, medication, and consultation Substance abuse counseling, diagnostic evaluation, and medication visit
Special procedures: Electroconvulsive therapy Psychological and neuropsychological testing

D. Delivery System

The delivery system for the Demonstration will build upon the existing delivery system in Massachusetts. There are four primary functions for the Demonstration's overall delivery system: (1) targeting, outreach, and assessment, (2) provision of services, (3) care coordination, and (4) self-direction.

1. Targeting, Outreach, and Assessment

Targeting will be needed to identify individuals who may be eligible to enroll in the Demonstration. Individuals who are most at risk for nursing facility admission will be targeted for the imminent risk group and the prevention group. The targeting process will be fully defined in the waiver application.

a) Current MassHealth Members

MassHealth members who meet the clinical profiles of the imminent risk, prevention, or nursing facility transition groups will qualify for this Demonstration. Because of the comprehensive nature of the Demonstration, it will replace and supersede the Commonwealth's existing home and community-based service waivers for elders and individuals with brain injury. All persons eligible for services under the existing waivers will be able to enroll in the proposed Demonstration. These individuals will be identified through the organizations coordinating their care. The HCBS waiver for mental retardation, which has an ICF-MR threshold for eligibility, will not be subsumed.

Nursing facility residents currently enrolled in Medicaid (or meeting the new Demonstration guidelines) who wish to return to the community recipients will have the option to enroll in this Demonstration. The current nursing home screening process will be used to assess and identify the resources needed to support these individuals in the community.

b) New Enrollees

State agencies and other organizations will target individuals who are not currently enrolled in MassHealth but may be eligible for the Demonstration under the new financial and clinical eligibility rules (including individuals currently residing in nursing facilities who want to return to the community). Identified individuals will be screened through existing financial eligibility determination procedures and assessed for clinical eligibility by designated entities such as Aging Services Access Points (ASAPs) and

other qualified health providers. These entities will use a standardized tool to determine clinical eligibility. Additional clinical assessments will be applied as warranted.

2. Provision of Services

The Commonwealth proposes to build on existing delivery systems, such as Massachusetts' Aging Services Access Points, independent living centers, and managed care options, such as the Senior Care Options program (SCO) and the Program of All-inclusive Care for the Elderly (PACE). Enrollees who do not choose a managed care option may receive covered services (including care coordination) through other designated providers.

3. Care Coordination

Focused care coordination has been shown to be an integral part of an effective package of home and community-based services and is a key factor in helping elders and individuals with disabilities avoid nursing facility admission.[23] Following enrollment in the Demonstration, individuals will choose a care coordination agency. The chosen care coordination agency will assist individuals with developing and managing their waiver plan of care and will coordinate with other services that the enrollee may be receiving.

The current care coordination system will be assessed to determine how this Demonstration will build on and/or enhance the existing network. It is proposed that all enrollees will receive at least a basic level of care coordination, and some enrollees will

[23] Fischer, L.D., et. al. 2003; Weissert, W., et. al. 2001.

receive a more intensive level of care coordination in order to prevent or delay nursing facility admission.

The care coordination proposed under this Demonstration program may build on an approach that was incorporated into the recent Medicare Modernization Act. Under that Act, Chronic Care Improvement Organizations (CCIO) will pilot medical care coordination for targeted Medicare beneficiaries, including the disabled and elderly, with selected chronic medical conditions. The proposed Demonstration would build on this approach by targeting beneficiaries with more complex sets of underlying clinical conditions who are at risk of nursing facility admission and require home and community-based long-term supports.

The proposed basic level of care coordination will include:

- completing a comprehensive needs assessment using a standardized tool;
- developing a comprehensive service plan;
- coordinating medical and non-medical supports and services;
- communicating regularly with other providers and involved family and community members;
- monitoring the service plan; and
- assessing needs every six months or more frequently as needed.

The proposed intensive care coordination will include:

- communicating with the enrollee monthly or more frequently as needed;
- applying disease management concepts for helping consumers manage specific diseases; and
- evaluating the functional and clinical status of Demonstration enrollees as well as their living conditions every three months or more frequently as needed.

4. Self-Direction

A new Independence Plus option, modeled after the Cash and Counseling Demonstration, will be offered to Demonstration enrollees under criteria that are currently under development. This program has been successful in other states. Results of the Arkansas Cash and Counseling program cited the program as improving the quality of individuals' lives by enabling them to (1) purchase or repair equipment or modify homes; (2) purchase personal care supplies, nutritional supplements, and other care-related supplies; (3) purchase medications that Medicaid did not cover; and (4) choose their caregivers. Participants were also somewhat more likely to cite getting enough care or care at the right time as the ways the allowance improved their lives at neutral costs[24].

The needs of Demonstration enrollees will be identified during the assessment phase. Care managers will inform enrollees of their option to self-direct home and community-

[24] Schore & Phillips, 2004; all three original Cash and Counseling demonstration states utilized 1115 federal waivers for implementing the program and therefore were bound by applicable cost neutrality rules.

based supports through Independence Plus. Individuals who elect Independence Plus can convert a set of covered services into an individual budget, reflecting the dollar amount that would have been spent without Independence Plus. Table 3 lists services that may be eligible for conversion[25] to an individual budget.

Table 3: Examples of Services Converting to an Individual Budget

Adult day health*	Individual support and community habilitation
Assistive technology	Interpreter/translation services
Chore services	Job development
Companion service	Laundry services
Day habilitation*	On-call support
Durable medical equipment*	Personal agent services
Environmental accessibility adaptations	Personal care attendant services*
Extended/enhanced personal care	Personal emergency response systems
Family support and community habilitation	Psychiatric Day Treatment
Family training	Respite care
Grocery shopping and home delivery	Social day care/day services (including dementia)
Home health nursing*	Supported employment services
Home health aide*	Supportive home care aide
Home-delivered meals	Transitional services
Homemaker	Transportation*
*Medicaid State Plan service	

Under Independence Plus, the Commonwealth may employ a model that uses a "support broker" to advise the enrollee on home and community-based support services and design an individualized spending plan and budget that outlines allowed expenditures, and a "fiscal intermediary" to assist the enrollee with financial responsibilities related to managing the individual budget. The Demonstration care manager will help the enrollee coordinate their individually budgeted services with other medical and support services to ensure that the enrollee's needs are addressed. Under

[25] The methodology for conversion of services to an individual budget will be developed and will include consideration of the amount of services authorized and the need for a reserve fund.

Independence Plus, once services have been converted to the individual budget, enrollees cannot access those services through traditional mechanisms.

III. Caseload

The Demonstration application will establish the process for Demonstration enrollment and prioritization, but the following guidelines are being considered. The Demonstration would be structured in such a way to ensure that there is representation from each of the target enrollment groups. The Demonstration plans to include individuals who are at risk of admission to a nursing facility and certain nursing facility residents seeking to live in the community who are able to return to the community within 180 days. The Demonstration may enroll current MassHealth members as well as individuals who are "newly eligible" under the Demonstration's income-and-asset guidelines and new clinical eligibility rules.

The Commonwealth intends to cap the Demonstration caseload based on an analysis of affordability. Current MassHealth members who will be eligible to enroll include:

- enrollees of the home and community-based services waiver for elders and the home and community-based services waiver for individuals with traumatic brain injury;
- individuals on MassHealth Standard, CommonHealth, or other MassHealth programs who reside in the community and meet eligibility criteria for the imminent risk or prevention groups; and

- certain nursing facility residents seeking to reside and receive services in the community.

Determination of the number of individuals likely to be "newly eligible" for MassHealth under the Demonstration will be based on analyses of many groups including:

- individuals who meet new income and clinical eligibility guidelines; and
- certain nursing facility residents who seek to reside in the community.

Individuals may choose to enroll from other MassHealth coverage types due to enhanced benefits.

As a result of the proposed eligibility expansion and related targeting efforts, it is possible that some number of individuals who were not receiving long-term supports under existing public programs will enroll to receive the newly available services. The Commonwealth intends to use caps for Demonstration enrollment to help ensure that the program will be budget neutral. The cap would be based on a number of factors, including current MassHealth enrollment, regional service capacity, and targeting and marketing plans. Any enrollment cap must include the approximately 7,000 individuals who are currently enrolled in the elder waiver and Traumatic Brain Injury waiver who will be included, by definition, in this Demonstration.

It is currently estimated that 10,000 individuals will be enrolled in the Demonstration in the first year. In the development of the full waiver application, the proposed number of enrollees will be refined as appropriate.

IV. Cost Analysis

Section 1115 Research and Demonstration waivers must be budget neutral with aggregate costs to the federal government being no greater than the aggregate costs in the absence of the Demonstration program. The Demonstration aims to achieve budget neutrality by targeting enrollment to those individuals with the greatest potential for possible delay or diversion from nursing facility admission, shortening nursing facility stays for those in nursing facilities, and avoiding other costly interventions. Budget neutrality will therefore be based on:

- expected number of nursing facility diversions;
- expected length of delayed nursing facility admission;
- avoidance of other costly interventions, such as hospitalizations and emergency room use; and
- a reduction in the length of nursing home stays for current nursing home residents.

Analyses of Medicaid claims data, Medicare data, national data, census data, and other information are currently underway to determine the expected costs and savings under the Demonstration. EOHHS will use Medicare and Medicaid data to compare rates of nursing facility entry among high-risk community dwelling populations. This data will also clarify the impact of community-based services on nursing facility diversion and discharge. Specifically the analyses will consider the question of how benefits that vary by type, intensity, and duration, as applied to different risk populations, relate to

Medicaid costs and the risk of nursing facility entry. The outcome of these analyses will inform projected savings, program enrollment, and whether a cap on the total available resources for the Demonstration will be necessary to achieve budget neutrality.

V. Quality Monitoring and Improvement

A quality monitoring and continuous improvement system will be developed to examine and ensure quality care for Demonstration enrollees. This will build upon existing systems; for example, individuals enrolled in Senior Care Options or the Program of All-inclusive Care for the Elderly will have service quality monitored under those programs' systems. These systems measure clinical quality, consumer experience and satisfaction, and system/network performance. Where applicable, the CMS Home and Community-Based Services Quality Framework will be utilized to monitor and improve the quality of home and community-based services provided under the Demonstration. To monitor the quality of this Demonstration project, all Demonstration enrollees will be uniquely identified. The unique identifier will be used for quality monitoring and research purposes and the privacy of all Demonstration enrollees will be ensured.[26]

Quality monitoring and improvement plans for individuals who do not enroll in existing managed care programs will be developed to measure process and outcome indicators in the same domains covered by existing quality systems. New quality indicators unique to the Demonstration may be added.

[26] Vastag, B., 2004.

The system to monitor and improve quality for individuals who elect to receive an individual budget under Independence Plus will be built on quality monitoring procedures under development in the federal Independence Plus grant. This process will use the CMS Home and Community-Based Services Quality Framework and will include emergency backup systems, incident and grievance procedures, and quality indicators at the individual and system level.

VI. Research and Evaluation

This Demonstration will test whether early intervention through changes to clinical and financial eligibility, services such as care management, and the flexibility of Independence Plus can prevent or delay nursing facility admission or facilitate nursing facility discharges. A two-phased research and evaluation plan will examine whether the Demonstration successfully diverts or delays individuals from nursing facility admission or facilitates appropriate nursing facility discharges.

Phase one will evaluate the implementation of the Demonstration and may include the following questions:

- How effectively are individuals identified for the Demonstration?
- How many individuals inquired about the Demonstration?
- How many individuals enrolled in the Demonstration?
- What are the demographic and clinical characteristics of individuals who enrolled?

- To what extent can the existing service-delivery system accommodate Demonstration enrollees?
- What additional system infrastructure is needed?
- When managed care options are offered and not mandated, how many individuals choose such options?

Phase two will evaluate whether the Demonstration meets its outcome goals and may include the following questions:

- To what extent did the Demonstration contain costs?
- To what extent are Demonstration enrollees diverted or delayed from nursing facility admission? What factors may be contributing to diverting or delaying nursing facility admission?
- Are the right populations targeted for Demonstration enrollment?
- To what extent are hospitalizations and other costly interventions avoided?
- Do regional or programmatic variances affect service structure and delivery?
- Are demonstration participants satisfied with the quality of care provided under the waiver?

Additional research activities will assess cost, caseload, early identification of populations, and other factors.

VII. Stakeholder Input and Involvement

In October of 2003, Massachusetts established the Community First Policy for Long Term Care. The goals of the Demonstration are based on recommendations gathered over a period of time. The current research and Demonstration proposal incorporates the broad range of diverse ideas provided by consumers, providers, and other stakeholders during this process.

Stakeholders have provided additional input through other forums:

- the December 2003 report *Transforming Long-Term Supports in Massachusetts*[27];
- community forums under the Systems Change grants;
- stakeholder meetings held by the Executive Office of Elder Affairs in the fall of 2003;
- a stakeholder meeting held on June 20, 2005 to receive input on Community First; and
- regional stakeholder meetings in December 2005 and January 2006 to review the Demonstration concept.

Other public events will be planned during the development of the full waiver application to seek additional input from diverse stakeholders. All attempts will be made to address the various ideas, concepts, and concerns that are voiced during these public events.

[27] Executive Office of Health and Human Services and Executive Office of Elder Affairs, 2003.

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